

## Message Text

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PAGE 01 STATE 214257  
ORIGIN EUR-12

INFO OCT-01 ISO-00 ONY-00 /013 R

DRAFTED BY EUR/WE:EMROWELL:MS

APPROVED BY EUR - MR. VINE

EUR/RPE - MR. CASEY

EUR/EE - MR. ANDREWS

EUR/SE - MR. LEDSKY

DESIRED DISTRIBUTION

EUR ONLY

-----006982 080356Z /15

R 080038Z SEP 77

FM SECSTATE WASHDC

TO AMEMBASSY LISBON

AMEMBASSY VALLETTA

AMEMBASSY ATHENS

AMEMBASSY NICOSIA

AMEMBASSY BUCHAREST

AMEMBASSY BELGRADE

C O N F I D E N T I A L STATE 214257

STADIS//////////

E.O. 11652: GDS

TAGS:EGEN, PO, MT

SUBJECT: OPIC FINANCIAL COVERAGE

1. PURSUANT TO AN ECONOMIC POLICY GROUP DECISION MADE LAST SPRING TO REDIRECT OPIC RESOURCES TOWARD THE POOREST COUNTRIES OF THE WORLD, THE OPIC BOARD HAS PROPOSED A RULE THAT WOULD CUT BACK OPIC FINANCIAL COVERAGE FOR COUNTRIES WITH ANNUAL PER CAPITA INCOMES GREATER THAN \$1,000 (CONFIDENTIAL

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STANT 1975 DOLLARS). ADDRESSEES FALL WITHIN THE CATEGORY OF COUNTRIES THAT COULD EXPECT SOME REDUCTION IN OPIC COVERAGE AS A RESULT OF THIS RULE.

2. RATHER THAN EXEMPT CERTAIN COUNTRIES SPECIFICALLY FROM THIS RULE, THE DEPARTMENT IS CONSIDERING THREE GENERAL EXEMPTIONS:

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A. COVERAGE WOULD BE CONTINUED FOR INVESTMENTS IN "SMALL BUSINESS AND COOPERATIVES". ("SMALL BUSINESS" IS NOT BEING DEFINED VERY PRECISELY AT THE MOMENT, AND COULD BE INTERPRETED TO APPLY TO ANY COMPANY NOT ON THE "FORTUNE 500 LIST.)

B. OPIC COVERAGE WOULD CONTINUE FOR INVESTMENTS IN PROJECTS FOR CERTAIN RAW MATERIALS OR RESOURCES, FOR EXAMPLE ENERGY, NEEDED BY THE WORLD AT LARGE.

C. COVERAGE ALSO WOULD CONTINUE FOR INVESTMENTS IN PROJECTS THAT ARE "EXCEPTIONALLY DEVELOPMENTAL" IN THEIR IMPACT.

3. REGIONAL BUREAUS AND OFFICES WILL BE INVITED TO COMMENT ON THESE PROPOSALS SHORTLY. IT IS EXPECTED THAT THEY WILL BE REVIEWED AT AN OPIC BOARD MEETING SCHEDULED FOR SEPTEMBER 20.

4. PLEASE CABLE "STADIS -- FOR EUR ONLY" YOUR VIEWS AS TO WHETHER THE PROPOSED EXEMPTIONS WOULD PROVIDE SUFFICIENT LEEWAY TO PERMIT OPIC COVERAGE IN YOUR HOST COUNTRY ADEQUATE TO MEET OUR POLICY GOALS.

5. FOR VALLETTA: FRANK ASPHAR PICKED UP THIS OPIC POLICY INITIATIVE IN AN ARTICLE IN "BUSINESS INTERNATIONAL".  
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SUBSEQUENTLY CHARGE GAUCI ALSO CALLED US ON IT, SO IT IS POSSIBLE YOU MAY RECEIVE SOME LOCAL INQUIRIES. OBVIOUSLY WE ARE NOT AT THIS STAGE IN A POSITION TO GIVE GUIDANCE ON ANY FORMAL REPLIES TO INQUIRIES THAT YOU MAY RECEIVE.  
VANCE

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NNN

## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, LESS DEVELOPED COUNTRIES, ECONOMIC ASSISTANCE  
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**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
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**Executive Order:** GS  
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**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** ONLY, STADIS  
**Original Previous Classification:** n/a  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009